

Site Control Action Plan Fort Yukon Power and Biomass Projects

This document outlines the steps necessary to secure site control for the new powerhouse, biomass boiler building, wood storage/processing facilities, and district heating piping system (CHP Project). The parties to this Site Control Action Plan (SCAP) include: Gwitchyaa Zhee Corporation (GZ Corporation), Gwichyaa Zhee Gwich'in Tribal Government (GZGTG), City of Fort Yukon, and the GZ (Power) Utility and GZ Heat Utility (subsidiaries of GZ Corporation).

The Project Lands are comprised of Tracts A, B and C as shown on the attached Exhibit A. Tract A is approximately 6.70 acres, Tract B is approximately 2.33 acres, and Tract C is approximately 3.71 acres.

The power plant/biomass plant and wood storage/processing facilities will be located within Tract A, which is comprised of the following parcels:

- Lots 1-10, Block 8, U. S. Survey 2760 A&B (GZ Corp land)
- Lots 1 and 2, Block 8A, U. S. Survey 2760 A&B (GZ Corp land)
- a portion of the unused right of way for East Fifth Avenue between Blocks 8 and 8A (City land)
- a portion of Lot 5, Section 7, Township 20 North, Range 12 East, Fairbanks Meridian (1994 Agreement land)

GZ Corporation and GZGTG will also provide the lands identified as Tract B and Tract C on Exhibit A to support development of the CHP Project:

- Tract B is a portion of Lot 5, Section 7, Township 20 North, Range 12 East, Fairbanks Meridian
- Tract C is a portion of Lot 24, U.S. Survey 7161

The district heating piping system area includes the following City land:

- Hill Street
- East Third Avenue
- East First Avenue
- Spruce Street
- Adjacent side streets and easements

The power plant will be operated by GZ Utility Company and the biomass facility will be operated by a newly formed Heat Company (GZ Heat Utility). Both of these entities are subsidiaries of Gwitchyaa Zhee Corporation (GZ Corporation). GZ Corporation will own the Project Lands and enter into long term land use agreements (Leases) with both the GZ (Power) Utility and GZ Heat Utility.

Background

GZ Corporation is the apparent owner of record of the surface estate of Lots 1-4 and Lots 8-10, Block 8, U.S. Survey 2760A&B. However, an Agreement between GZ Corporation, GZGTG and the City of Fort Yukon stipulates these lots will be conveyed

to the City of Fort Yukon under the provisions of Section 14(c)(3) of ANCSA. This Agreement was dated March 7, 1996, and was recorded in Fairbanks Recording District on April 19, 1999, in Book 1135, Pages 402-420. A subsequent amendment to the agreement between the parties has removed the subject land from the listed conveyances to the City; however, this amendment to the agreement is not recorded. *The amendment to the agreement will be recorded with a cross reference to original agreement.*

A title report prepared by Yukon Title Company dated February 25, 2010, concluded that title to Lots 5, 6 and 7, Block 8, U.S Survey 2760A&B is vested in GZ Corporation. The vesting document is a Warranty Deed from several individuals doing business as Fort Yukon Utilities. The title report also shows an outstanding deed of trust from 1983. *This deed of trust needs to be cleared from the public record.*

GZ Corporation is the owner of record of Lots 1 and 2, Block 8A, U.S. Survey 2760A&B (warranty deed dated November 7, 1983, and recorded in the Fairbanks Recording District on November 9, 1983, in Book 339, Pages 579-581.)

Blocks 8 and 8A are separated by the East Fifth Avenue road right of way as shown on the U.S. Survey 2760 A&B. *This unused road right of way will be vacated and made part of Tract A.*

A title report prepared by Yukon Title Company dated August 18, 2011, reported that GZGTG is the owner of record of Lot 5, Section 7, Township 20 North, Range 12 East, Fairbanks Meridian. The report concluded that GZ Corporation is the owner of record for Lot 24, U.S. Survey 7161. However, both lots are subject to a 1994 Settlement Agreement between the GZ Corporation and the Gwichyaa Zhee Gwich'in Tribal Government, which provides for joint management of certain land. *Action is required to clarify GZ Corporation ownership and control of Lot 5, Section 7 and Lot 24, USS 7161.*

Site Control Actions needed:

A survey will be performed and the following parcels combined (replatted), as shown on Exhibit A.

TRACT A:

Tract A will consist of Block 8 & 8A, the vacated East Fifth Avenue road right of way, and a portion of lot 5, section 7.

Block 8

1. The City and GZ Corporation will record in the Fairbanks Recording District the amended ANCSA 14(c)(3) settlement agreement that removed Lots 1-4 and Lots 8-10, Block 8 from the lands to convey to the City.
2. A deed of reconveyance or other proper document needs to be obtained from the holders of the outstanding deed of trust for Lots 5, 6 and 7 to clear the

record of title. This document will be recorded in the Fairbanks Recording District.

Block 8A

1. The Gwichyaa Zhee Gwich'in Tribal Government (formerly known as the Native Village of Fort Yukon) will issue a quitclaim deed to the GZ Corporation for Lots 1 and 2, Block 8A. The purpose of this deed is to eliminate any uncertainty about the initial conveyance from the Federal Townsite Trustee. The executed document will be recorded in the Fairbanks Recording District.

Vacation of Right of Way for a portion of East Fifth Avenue

Dedicated rights of way are under the jurisdiction of the municipal government (City of Fort Yukon). The City of Fort Yukon will initiate action to vacate the portion of the East Fifth Avenue between Block 8 and 8A.

Portion of Lot 5, Section 7, Township 20 North, Range 12 East, FM.

GZGTG will issue a quit claim deed to GZ Corporation for the portion of Tract A located within Lot 5.

TRACT B:

Tract B will consist of a portion of Lot 5, Section 7, Township 20 North, Range 12 East, FM.

GZGTG will issue a quit claim deed to GZ Corporation for the portion of Tract B located within Lot 5.

TRACT C:

Tract C will consist of a portion of Lt 24, USS 7161

GZGTG will issue a quit claim deed to GZ Corporation for the portion of Tract C located within Lot 24.

The 1994 Land Transfer Agreement between GZ Corporation and Gwichyaa Zhee Gwich'in Tribal Government (GZGTG) provides for joint management of certain lands. To provide site control for the CHP Project, an agreement will be crafted similar to the May 2011 agreement between GZGTG and GZ Corporation for the Crowley Tank Farm project, and GZGTG will issue quit claim deeds, as indicated above, for the pertinent portions of Lot 5 (Tract A & B) and Lot 24 (Tract C) to the GZ Corporation. The executed documents will be recorded in the Fairbanks Recording District.

Survey and Re-plat

Block 8 and 8A, the vacated portion East Fifth Avenue and the appropriate portions of Lot 5, Section 7, Township 20 North, Range 12 East, FM and Lot 24, USS 7161 will be surveyed and re-platted to create Tracts A, B and C. The Plat will be reviewed and signed by the City of Fort Yukon and GZ Corporation, and filed in the Fairbanks Recording District.

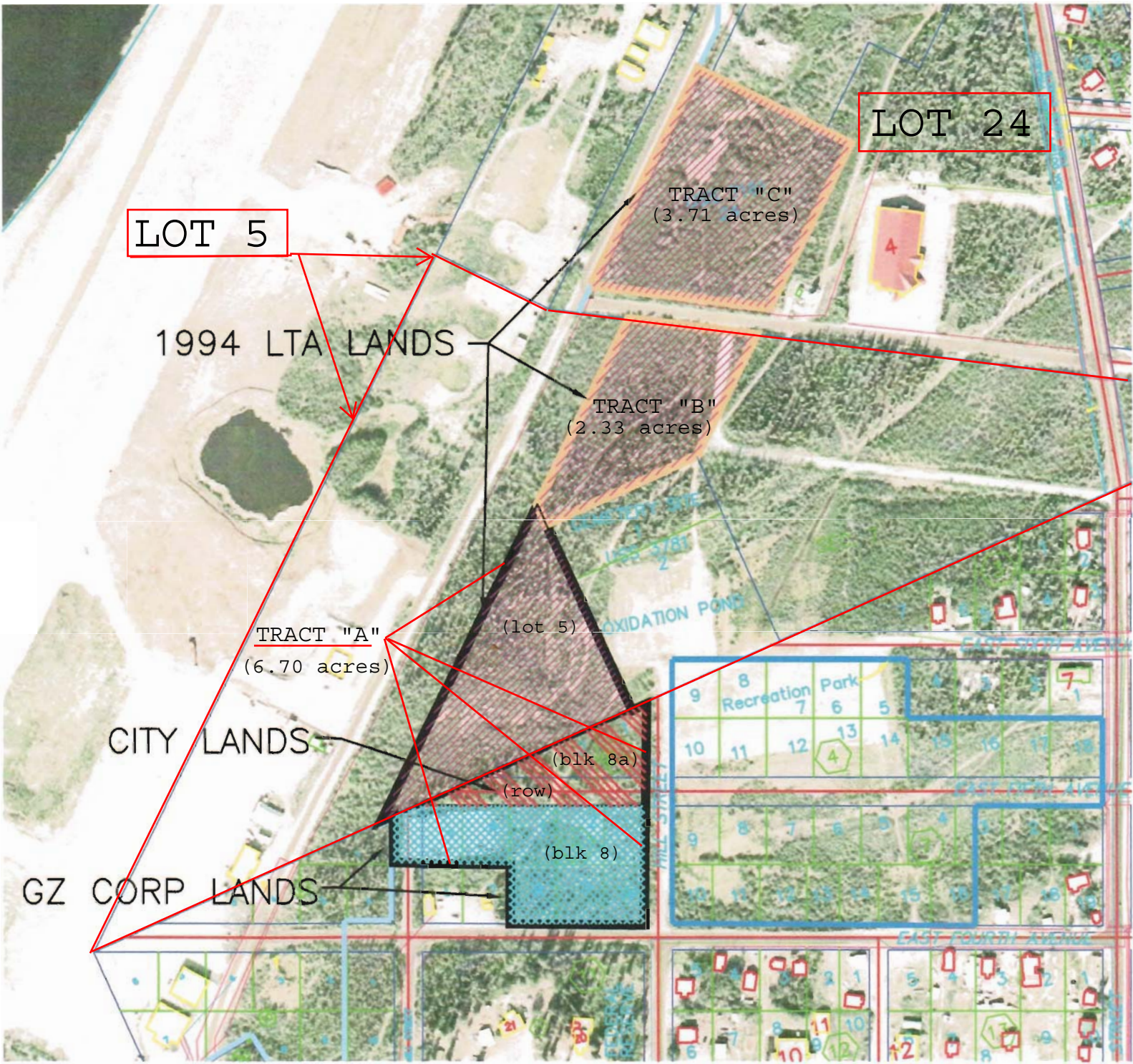
Plant Site Long Term Lease:

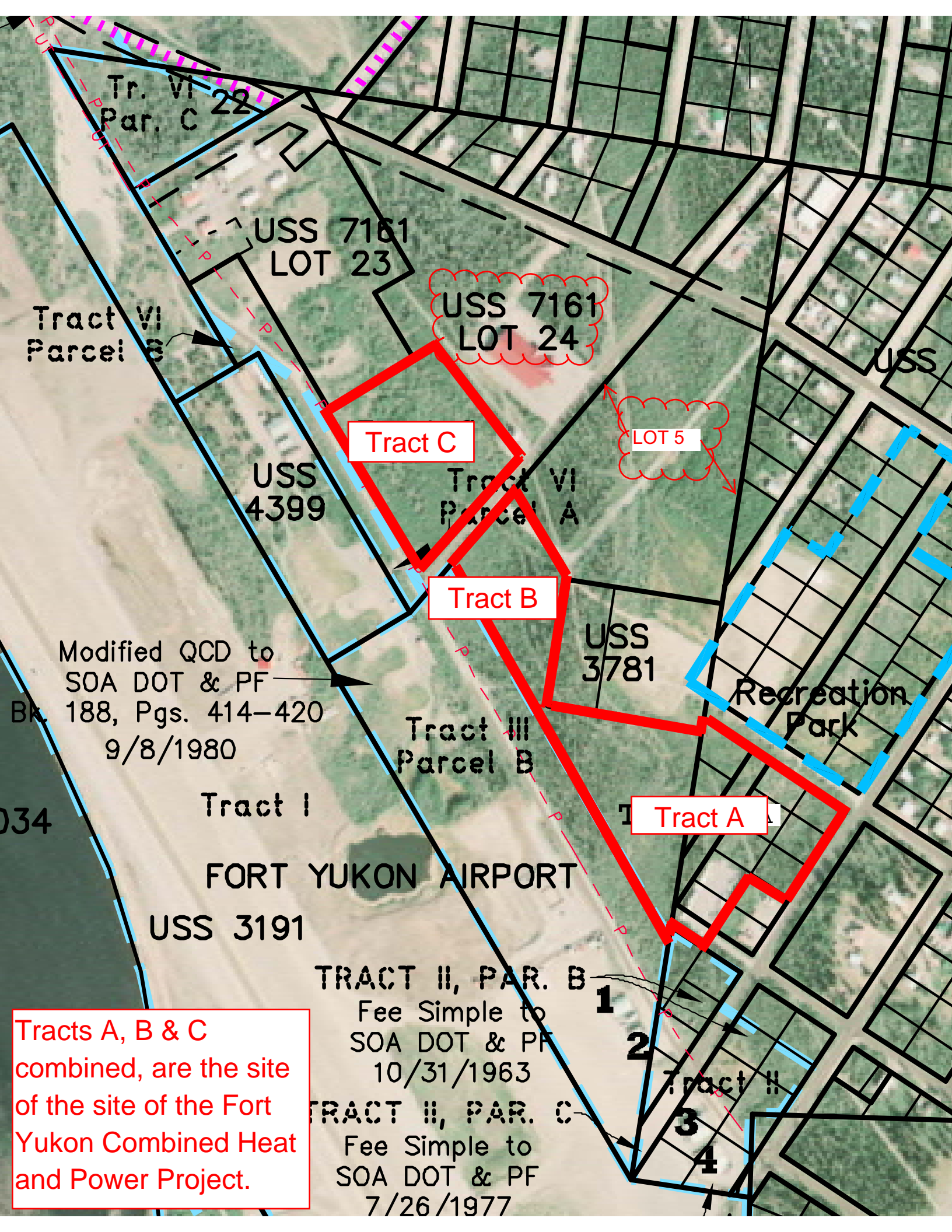
Upon completion and filing of the Plat, GZ Corporation will enter into long-term, non-exclusive leases with both the GZ (Power) Utility and GZ Heat Utility that define all parties' rights and responsibilities. The executed documents will be recorded in the Fairbanks Recording District.

District Heating Piping Easements:

The City of Fort Yukon will issue easements, as necessary, to provide the GZ Heat Utility authorization to construct, operate and maintain the district heating piping system within the City's road rights-of-ways. The executed document(s) will be recorded in the Fairbanks Recording District.

FORT YUKON CHP SCAP EXHIBIT A





Tr. VI
Par. C 22

USS 7161
LOT 23

USS 7161
LOT 24

Tract VI
Parcel B

Tract C

USS
4399

Tract VI
Parcel A

LOT 5

Tract B

USS
3781

Recreation
Park

Modified QCD to
SOA DOT & PF
Bk. 188, Pgs. 414-420
9/8/1980

Tract III
Parcel B

Tract A

Tract I

FORT YUKON AIRPORT

USS 3191

TRACT II, PAR. B

Fee Simple to
SOA DOT & PF
10/31/1963

TRACT II, PAR. C

Fee Simple to
SOA DOT & PF
7/26/1977

Tracts A, B & C
combined, are the site
of the site of the Fort
Yukon Combined Heat
and Power Project.

1
2
3
4



714 Gaffney Road, Fairbanks, Alaska 99701
Phone: (907) 456-3474 • Fax: (907) 456-3476

www.yukontitle.com

CERTIFICATE TO PLAT

Order No.: Y70077-CS

Fee: \$300.00

Additional Parcel Fee: \$400.00

TO: **Rick Elliot**
Land Consultant
5452 Cape Seville Drive
Anchorage, Alaska 99516
Via Email Only

Amended 8/26/11 to add interest of the Native Village of Fort Yukon to Parcel III.

This is a Certificate as of **August 18, 2011 at 8:00 a.m.** for a plat of the following described real property:

PARCEL I:

Government Lot 5 of Section 7, Township 20 North, Range 12 East, Fairbanks Meridian; Records of the Fairbanks Recording District, Fourth Judicial District, State of Alaska;

EXCEPTING THEREFROM: that portion of Government Lot 5 of Section 7 depicted as Tract III, Parcel B, on the Fort Yukon Airport Property Plan and more particularly described in Modified Quitclaim Deed recorded September 8, 1980 in Book 188 at Page 414;

EXCEPTING THEREFROM THE SUBSURFACE ESTATE and all rights, privileges, immunities and appurtenances of what so ever nature accruing unto said estate pursuant to the Alaska Native Claims Settlement Act of 12-18-71 (85 Stat 688, 704; 43 U.S.C. 1601, 1613 (f) (1976) as reserved by the United States of America)

PARCEL II:

Lots 1, 2, 3, 4, 5, 6, 7, 8, 9 and 10, Block 8 AND Lots 1 and 2, Block 8A of U.S. SURVEY NUMBER 2760A and 2760B, TOWNSITE OF FORT YUKON; Records of the Fairbanks Recording District, Fourth Judicial District, State of Alaska.

EXCEPTING THEREFROM THE SUBSURFACE ESTATE and all rights, privileges, immunities and appurtenances of what so ever nature accruing unto said estate pursuant to the Alaska Native Claims Settlement Act of 12-18-71 (85 Stat 688, 704; 43 U.S.C. 1601, 1613 (f) (1976) as reserved by the United States of America)

PARCEL III:

Lot 24, U.S. SURVEY NO. 7161, Alaska, as shown on the plat of survey officially filed on March 30, 1984, and the plat of dependent resurvey officially filed February 26, 2002; Records of the Fairbanks Recording District, Fourth Judicial District, State of Alaska.

The Company certifies that record title is vested in:

The Native Village of Fort Yukon as to Parcel I; Gwitchyaaazhee Corporation, who also appears of record as Gwitchyaa Zhee Corporation as to Parcel II; Gwitchyaaazhee Corporation as to Parcel III

free from all liens, encumbrances and objections EXCEPT AS FOLLOWS:

SUBJECT TO:

THE FOLLOWING AFFECTS PARCEL I:

1. **Reservations and exceptions as contained in the U.S. Patent.**
2. **The terms, covenants, conditions and provisions**, including rights-of-way and easements as contained in the Alaska Native Claims Settlement Act, dated December 18, 1971, U.S. Public Law 92-203, 85 Stat. 688, 43 U.S.C.A. 1601, et seq.
3. **Reservation of the subsurface estate** in said land including, but not limited to, rights of entry to explore, develop or remove minerals from said subsurface estate, as set forth in Sections 14(f) and 14(g) of the Alaska Native Claims Settlement Act referred to hereinabove.

NOTE: No assurance is given as to the vertical delineation of the surface and subsurface estates in said land as provided in said act.

4. **Right of public and governmental agencies** in and to any portion of said land included within the boundaries of any trails, streets, roads or highways.
5. **Easement for construction, maintenance, and operation of nine public access roads** and appurtenances thereto as disclosed by instrument recorded December 5, 1979 in book 164 at Page 207. (See instrument for area affected)
6. **ROW Permit** and appurtenances thereto as disclosed by instrument recorded May 9, 1983 in Book 305 at Page 156. (Appears to affect the subject property)
7. **Land Transfer Agreement**, executed by **NATIVE VILLAGE OF FORT YUKON** and **GWITCHYAAZHEE CORPORATION** including the terms and conditions contained therein, recorded October 19, 1994 in Book 878 at Page 307.
8. **Agreement**, dated March 7, 1996, executed by the **CITY OF FORT YUKON, INC.** and **GWITCHYAAZHEE CORPORATION** including the terms and conditions contained therein, recorded April 19, 1999 in Book 1135 at Page 402. (Tract No. 8, Picnic Areas is not locatable)

Modified by instrument recorded May 18, 2011 as Instrument No. 2011-008830-0.

9. **Any bankruptcy proceeding not disclosed** by the acts that would afford notice to said land, pursuant to Title 11, U.S.C. 549 (c) of the Bankruptcy Reform Act of 1978 and amendments thereto.
10. **Occupant(s) or any parties** whose rights, interests or claims are not shown by the public records but which could be ascertained by an inspection of the land described above by making inquiry of persons in possession thereof, including but not limited to, any lien or right to a lien for services, labor or material theretofore or hereafter furnished.

THE FOLLOWING AFFECTS PARCEL II:

1. **Reservations and exceptions** as contained in the U.S. Patents.
2. **The terms, covenants, conditions and provisions**, including rights-of-way and easements as contained in the Alaska Native Claims Settlement Act, dated December 18, 1971, U.S. Public Law 92-203, 85 Stat. 688, 43 U.S.C.A. 1601, et seq. **(Does not affect Lots 5, 6 and 7, Block 8 or Lots 1 and 2, Block 8A)**
3. **Reservation of the subsurface estate** in said land including, but not limited to, rights of entry to explore, develop or remove minerals from said subsurface estate, as set forth in Sections 14(f) and 14(g) of the Alaska Native Claims Settlement Act referred to hereinabove. **(Does not affect Lots 5, 6 and 7, Block 8 or Lots 1 and 2, Block 8A)**

NOTE: No assurance is given as to the vertical delineation of the surface and subsurface estates in said land as provided in said act.

4. Deed of Trust, including terms and provisions thereof, to secure an indebtedness:
Amount \$850,000.00
Trustor: **GWITCHYAA ZHEE CORPORATION**
Trustee: **TICOR TITLE INSURANCE COMPANY**
Beneficiary: **SAM W. HUGHES, FAYE D. HUGHES, ACEA D. ROLLINS and**
 MARGARET M. ROLLINS, individually and d/b/a FORT
 YUKON UTILITIES

Dated: November 7, 1983
Recorded: November 9, 1983
Book: 339
Page: 582
(Affects Lots 5, 6 and 7 of Block 8 and Lots 1 and 2 of Block 8A and other property)
5. **Land Transfer Agreement**, executed by **NATIVE VILLAGE OF FORT YUKON** and **GWITCHYAAZHEE CORPORATION** including the terms and conditions contained therein, recorded October 19, 1994 in Book 878 at Page 307.
6. **Agreement** between **CITY OF FORT YUKON, INC.** and **GWITCHYAAZHEE CORPORATION** and **NATIVE VILLAGE OF FORT YUKON TRIBAL GOVERNMENT**, and the terms and conditions contained therein, recorded April 19, 1999 in Book 1135 at Page 402. **(Does not affect Lots 5, 6 and 7, Block 8 or Lots 1 and 2, Block 8A)**

Modified by instrument recorded May 18, 2011 as Instrument No. 2011-008830-0.

7. **Any bankruptcy proceeding not disclosed** by the acts that would afford notice to said land, pursuant to Title 11, U.S.C. 549 (c) of the Bankruptcy Reform Act of 1978 and amendments thereto.
8. **Occupant(s) or any parties** whose rights, interests or claims are not shown by the public records but which could be ascertained by an inspection of the land described above by making inquiry of persons in possession thereof, including but not limited to, any lien or right to a lien for services, labor or material theretofore or hereafter furnished.

THE FOLLOWING AFFECTS PARCEL III:


1. **Reservations and exceptions** as contained in the U.S. Patent.
2. **The terms, covenants, conditions and provisions**, including rights-of-way and easements as contained in the Alaska Native Claims Settlement Act, dated December 18, 1971, U.S. Public Law 92-203, 85 Stat. 688, 43 U.S.C.A. 1601, et seq.
3. **Reservation of the subsurface estate** in said land including, but not limited to, rights of entry to explore, develop or remove minerals from said subsurface estate, as set forth in Sections 14(f) and 14(g) of the Alaska Native Claims Settlement Act referred to hereinabove.

NOTE: No assurance is given as to the vertical delineation of the surface and subsurface estates in said land as provided in said act.

4. **Right, title and interest of the NATIVE VILLAGE OF FORT YUKON as disclosed by Warranty Deed recorded October 19, 1994 in Book 878 at Page 317. (The legal description of the property intended to be conveyed is unclear)**
5. **Any bankruptcy proceeding not disclosed** by the acts that would afford notice to said land, pursuant to Title 11, U.S.C. 549 (c) of the Bankruptcy Reform Act of 1978 and amendments thereto.
6. **Occupant(s) or any parties** whose rights, interests or claims are not shown by the public records but which could be ascertained by an inspection of the land described above by making inquiry of persons in possession thereof, including but not limited to, any lien or right to a lien for services, labor or material theretofore or hereafter furnished.

This report is restricted to the use of the addressee, and is not to be used for closing any transaction affecting title to said property. Liability of the Agency is limited to the amount of fee paid herein.

Yukon Title Company, Inc.



Cathy Shuttleworth
Title Officer

CS/LFB

WARRANTY DEED

THE GRANTOR, Gwitchyaa Zhee Corporation, P.O. Box 329, Fort Yukon, Alaska 99740, an Alaska Village Corporation, pursuant to the Alaska Native Claims Settlement Act of December 18, 1971, owner of the surface estate, by way of interim conveyance, and pursuant to the provision of said Act, of the following described real property, located in the vicinity of Fort Yukon, Alaska, for and in consideration of the agreement executed by both parties, conveys and warrants to:

The Native Village of Fort Yukon, P.O. Box 126, Fort Yukon, Alaska 99740, a Federally recognized Tribal Government for the Village of Fort Yukon, and organized under the Indian Reorganization Act (Act of Congress June 18, 1934, as amended by the Acts of June 15, 1935 and May 1, 1936) on January 2, 1940, the surface estate of the following real property:

Township 19 North, Range 12 East; Township 20 North, Range 11 East; Township 20 North, Range 12 East; Township 21 North, Range 12 East; and Township 20 North Range 13 East, Sections 1 through 11, 17 through 20, and 29 through 31, Fairbanks Meridian, as set forth in interim conveyance no.s 651, and 1012, and recorded August 22, 1983, and April 30, 1985 respectively in the records of the Fairbanks Recording District, Fourth Judicial District, State of Alaska.

EXECUTED AND ACKNOWLEDGED in Fort Yukon, Alaska, this 27 day of June, 1994.

GRANTOR: GWITCHYAA ZHEE CORPORATION

By Clarence L. Alexander
It's President

STATE OF ALASKA)

FOURTH JUDICIAL DISTRICT) ss

THIS CERTIFIES THAT ON THIS 28th day of June, 1994, before me, the undersigned Notary Public in and for the State of Alaska, personally appeared Clarence L. Alexander, to me known and known to be the president of the corporation named in the foregoing instrument, and he acknowledged to me that he executed the same freely and voluntarily for the purposes therein mentioned.

WITNESS my hand and official seal the day and year in this certificate first above written.

19N 12E

20N 11E

20N 12E

21N 12E

20N 13E

1-11, 17-20, 29-31

W. R. H. Postmaster/Notary Public
NOTARY PUBLIC IN AND FOR ALASKA

My Commission expires



return to
Native Village of Fort Yukon
P.O. Box 126
Fort Yukon, Ale. 99740

9423423
15-

FAIRBANKS F.C. DISTRICT C
REQUESTED BY Native Village
of Fort Yukon.

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